

LIMITED LIABILITY PARTNERSHIP RULES AND REGULATIONS
(adopted by the State Bar Board of Governors 10/28/95; revised 6/1/97; revised 6/10/00)

1.0 PURPOSE

The purpose of the Limited Liability Partnership Rules and Regulations is to provide for the registration of California attorneys to practice law as a limited liability partnership.

2.0 DEFINITIONS

- 2.1 A "Limited Liability Partnership" is a partnership, which has a currently effective certificate of registration as a limited liability partnership from the State Bar. It does not include "related" partnerships pursuant to Corporations Code Sections 16101(4)(A)(3) and 16101(6)(A)(iii).
- 2.2 The "Rules" are these Limited Liability Partnership Rules and Regulations.
- 2.3 The "State Bar" is the chief executive officer of the State Bar, or a person or persons designated by the chief executive officer, who shall have the authority to administer and interpret these Rules.

3.0 ELIGIBILITY FOR CERTIFICATION

To be eligible to become certified as a limited liability partnership, an applicant must:

- 3.1 Be organized and exist as a limited liability partnership certified by the Secretary of State pursuant to Corporations Code Sections 16953 or 16959;
- 3.2 Ensure that each partner is an active member of the State Bar or is licensed and entitled to practice law in another jurisdiction, and each partner and employee of the applicant who practices law in California on behalf of the limited liability partnership is a member of the State Bar of California on active status or is otherwise authorized to practice law in California;
- 3.3 Agree that the only name under which the limited liability partnership will practice law in California is the name filed with the office of the State Bar responsible for regulating the limited liability partnership program, that the name complies with the California Rules of Professional Conduct, and that the name shall include the words "Registered Limited Liability Partnership" or "Limited Liability Partnership" or one of the abbreviations "L.L.P.," "LLP," "R.L.L.P.," or "RLLP" as the last words or letters of its name;
- 3.4 Have at the time of application, and agree to maintain for the entire period of certification, the security for claims required pursuant to Corporations Code section 16956; and
- 3.5 Agree to comply with the laws of the State of California, the California Rules of Professional Conduct, the Rules and Regulations of the State Bar, and these Rules, insofar as they are applicable to partners and employees of an applicant.

4.0 APPLICATION FOR CERTIFICATION

All Applications for Certification must be submitted:

- 4.1 On the form provided by the State Bar;
- 4.2 With all the information requested on the form, including any supplemental documentation requested;
- 4.3 For each partner of the limited liability partnership licensed in a foreign country but not in this state or in any other state, territory, or possession of the United States, with a certificate from the authority having final jurisdiction over the practice of law, which shall verify the partner's admission to practice law in the foreign country, the date thereof, and the fact that the partner is currently in good standing and currently eligible to practice law as an attorney or counselor at law or the equivalent. If the certification is not in English, there shall be included with the certification a duly authenticated English translation of the certificate;
- 4.4 With the appropriate non-refundable processing fee;
- 4.5 At the office of the State Bar responsible for regulating the limited liability partnership program; and
- 4.6 Signed and verified by a partner authorized to act on behalf of the applicant.

5.0 SECURITY FOR CLAIMS AGAINST A LIMITED LIABILITY PARTNERSHIP

- 5.1 A limited liability partnership shall maintain security for claims against it for acts, errors and omissions arising out of the practice of law as set forth in Corporations Code Section 16956.

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- 5.2** For purposes of determining the amount of security for claims to be provided by the limited liability partnership, "licensed persons rendering professional services" as used in Corporations Code Section 16956(a)(2) shall include all persons practicing law on behalf of:

- 5.2.1** The limited liability partnership or held out by the limited liability partnership as being available to practice law on behalf of it, including "of counsel;"
- 5.2.2** A partnership in which the limited liability partnership is a partner or held out by such partnership as being available to practice law on behalf of the partnership, including "of counsel;"
- 5.2.3** An association with which the limited liability partnership has established a relationship of a continuous nature or held out by such association, with the consent of the limited liability partnership, as being available to practice law on behalf of the association, including "of counsel;" and
- 5.2.4** A law corporation which is a partner in the limited liability partnership, or any person held out by such law corporation as being available to practice law on behalf of the law corporation, including "of counsel."

6.0 DENIAL OF APPLICATION

- 6.1** If the State Bar determines to deny an application for certification for any reason, the State Bar shall mail a Notice of Denial of Certification to the applicant that sets forth the reasons for the proposed denial. A request for additional information is not a denial of an application. If no response to the request for additional information is received within 60 days, the application shall be deemed to have been abandoned by the applicant. Thereafter, the applicant must submit a new application pursuant to Section 4.0.
- 6.2** An applicant may request, in writing, a hearing on the denial to approve its application within 15 days after such Notice of Denial of Certification is dated.
- 6.3** The appropriate Board Committee shall conduct a hearing within 60 days of the State Bar's receipt of the request.
- 6.4** Should the outcome of the hearing permitted by Section 6.2 be adverse to the applicant, the applicant may appeal such decision pursuant to the provisions of California Rule of Court 9.13.
- 6.5** All proceedings under Section 6.0 shall be confidential, unless otherwise requested by the applicant or ordered by the Board of Governors. Insofar as applicable, the Rules of Procedure of the State Bar shall apply to such proceedings. For the purpose of applying the Rules of Procedure, "member" therein shall be deemed to mean "limited liability partnership."

7.0 DURATION OF CERTIFICATE OF REGISTRATION

- 7.1** The effective date of the Certificate of Registration shall be the date on which the applicant has filed with the State Bar all material required pursuant to Section 4.0. A later effective date may be granted if requested by the applicant prior to the issuance of the Certificate of Registration. An earlier effective date may be granted only to an applicant who was registered as a limited liability partnership with the Secretary of State prior to the effective date of these Rules, but in no case shall the effective date be earlier than the date of registration with the Secretary of State.
- 7.2** A Certificate of Registration shall remain in effect until terminated pursuant to the earliest of the following occurrences:
 - 7.2.1** The Certificate of Registration is terminated by the State Bar without the consent of the limited liability partnership pursuant to Section 8.0; or
 - 7.2.2** The Certificate of Registration is terminated by the State Bar at the written request of the limited liability partnership pursuant to Section 9.0.

8.0 INVOLUNTARY TERMINATION OF CERTIFICATE OF REGISTRATION

- 8.1** The Certificate of Registration of a limited liability partnership shall be deemed to be terminated if:

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- 8.1.1** The limited liability partnership fails timely to file a completed Annual Renewal;
 - 8.1.2** There is only one partner in the limited liability partnership; or
 - 8.1.3** The State Bar is notified that the limited liability partnership has been suspended by the California Secretary of State or by the California State Franchise Tax Board.
- 8.2** When there is reason to believe that a limited liability partnership has violated or is about to violate these Rules or any other pertinent statute, rule or regulation, the State Bar shall mail a notice to the limited liability partnership directing the limited liability partnership to show cause why its Certificate of Registration should not be terminated for specified acts. These proceedings shall be conducted in accordance with the process set forth in Sections 6.2, 6.3, 6.4 and 6.5.

9.0 TERMINATION AT REQUEST OF PARTNERSHIP

To terminate a Certificate of Registration at the request of the limited liability partnership, the State Bar must receive an original document certified by the Secretary of State showing that the entity has ceased to exist as a limited liability partnership. The termination shall be effective as of the date the limited liability partnership is dissolved by the Secretary of State.

10.0 ANNUAL RENEWAL

Each limited liability partnership shall file an Annual Renewal. Pursuant to Section 8.1.1, failure to timely file a completed Annual Renewal shall result in termination of the limited liability partnership. All Annual Renewals must be submitted:

- 10.1** On the form provided by the State Bar;
- 10.2** On or before the date set by the State Bar;
- 10.3** With all the information requested on the Annual Renewal, including any supplemental documentation requested;
- 10.4** With the appropriate renewal fee and any penalty for late filing, as appropriate;
- 10.5** At the office of the State Bar responsible for regulating the limited liability partnership program; and
- 10.6** Signed and verified by a partner authorized to act on behalf of the limited liability partnership.

11.0 SPECIAL REPORTS

Each limited liability partnership shall file a Special Report with the office of the State Bar responsible for regulating the limited liability partnership program, in a form acceptable to the State Bar, signed and verified by a partner authorized to act on behalf of the limited liability partnership, setting forth any changes in the limited liability partnership within 45 days of the change, as follows:

- 11.1** Any change in the limited liability partnership's official State Bar address (filing of an address change with Membership Records does not satisfy the requirement set forth in this Section);
- 11.2** Any change in the name of the limited liability partnership; or
- 11.3** Any change in the designated partner or partners authorized to act on behalf of the limited liability partnership.

12.0 CONFIDENTIALITY

An applicant's or a limited liability partnership's status as it relates to the limited liability partnership program and any other information provided to the State Bar or its representatives pursuant to these Rules is not confidential and shall be disclosed upon request of any interested person, except to the extent that disclosure is prohibited by law. In addition, any partnership agreements provided to the State Bar or its representatives pursuant to these Rules shall be confidential.